

PRESENTAZIONE FINANZIARIA

Le eccellenze del Made in Italy
Cesenatico, 12-13 marzo 2015

Product range

Single ring burners



Special and multi-rings burners



Gas valves



Micro switches & accessories



Oven hinges



Oven burners



Thermostats



Global presence



100% valves and thermostats
100% hinges
100% special burners
50% standard burners



25% standard burners



special burners - starting 2015



25% standard burners

Becoming more international

- Sabaf enjoys a strong leadership position in Italy and Europe (market share above 40%)
- Demographic and macroeconomic trends do not leave space for substantial growth in Europe
- Sabaf market share worldwide is still low (around 10%)
- Efforts are mainly addressed at increasing our international presence, with special focus on:
 - Turkey
 - China
 - Brazil
 - India
 - USA

Sabaf in Turkey

WHY

Turkey has become the most important manufacturer of white goods in Europe (Turkish manufacturers and production sites of multinational groups)

HOW

In 2012 Sabaf built from greenfield a new factory in Manisa (Izmir) - €10 mn investment - 10,000 sqm
Manufacturing of standard burners
Same products, technology and quality as in Italy

WHERE WE ARE

€9.2 mn sales in 2014, 60 people employed
In 2014 we implemented the full process for the production of burner lids

WHERE WE WILL BE

Further expansion of production capacity is ongoing
Constant growth has been planned for next years



Sabaf in China

WHY

Market size: 26 mn hobs

19 mn hobs manufactured for the domestic market

7 mn hobs manufactured for export markets

Expected product mix trend: higher value, moderate volume growth

New standards concerning gas hobs will apply starting from April 1st, 2015. The new standards state 3 different energy classes: 55%, 59% and 63%.

At present only 10% to 15% of hobs meet the highest class.

HOW

Sabaf has developed a new special burner that reaches an efficiency rate higher than 63%.

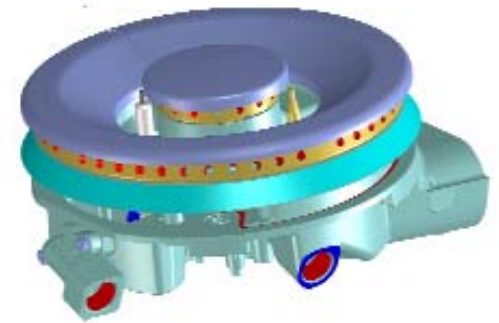
€2mn capex in 2014-2015 in order to start production

WHERE WE ARE

Production is starting in a few weeks

WHERE WE WILL BE

We are targeting the 10% premium market



Sabaf in Brazil

WHY

Brazil is a big market, difficult to supply from abroad, due to logistics, duties, forex impact.

HOW

Start of production in Brazil in 2001. A new factory was set up in Jundiaí (SP) in 2007, starting from greenfield.

€10 mn investment - 10,000 sqm

Manufacturing of standard burners

Same products, technology and quality as in Italy

WHERE WE ARE

€8.4 mn sales in 2014, 64 people employed

80% market share in the hobs segment

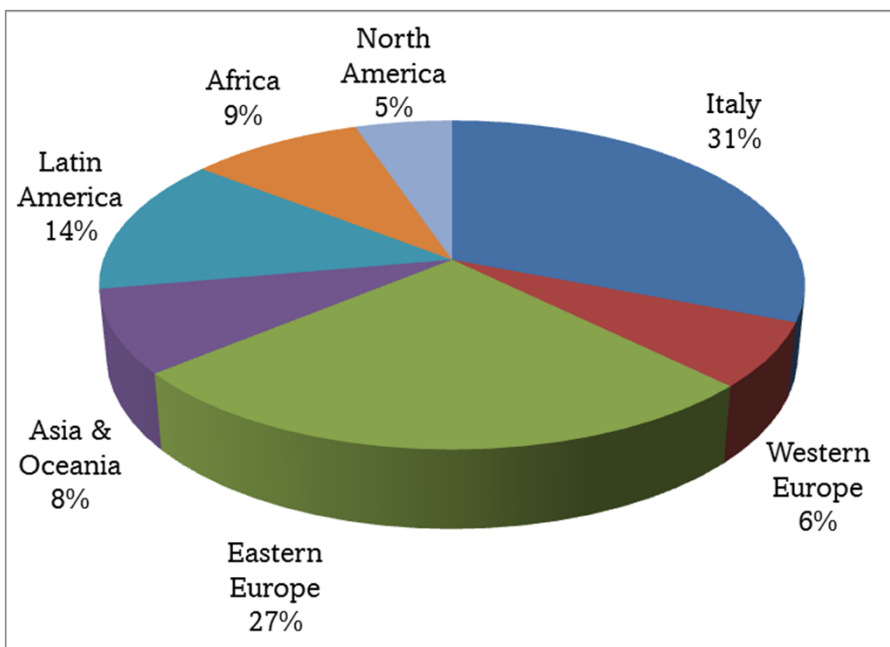
WHERE WE WILL BE

Production of special burners (2016)

Increase of share in the cookers segment

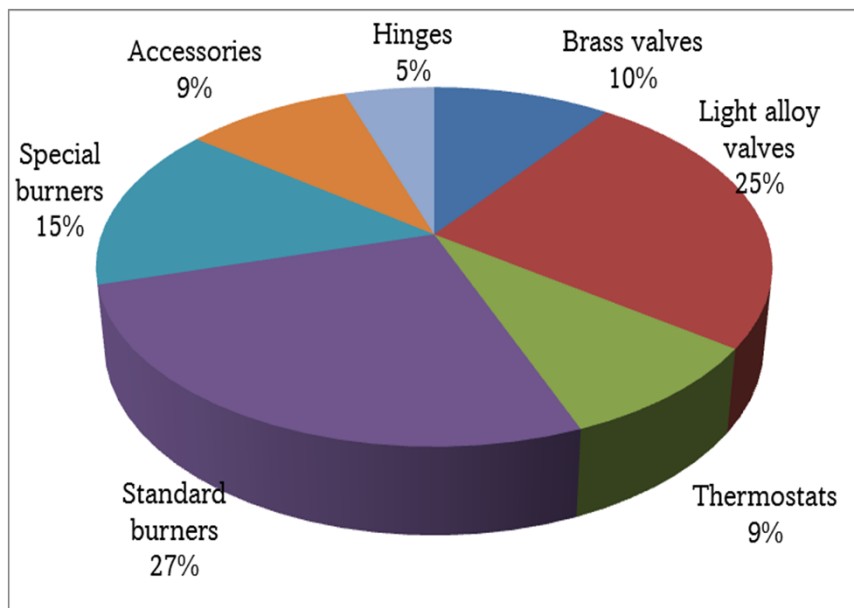


Sales by market



	FY 2014	FY 2013	
Italy	42,277	42,662	-0.9%
Western Europe	8,716	7,465	+16.8%
Eastern Europe	36,198	29,300	+23.5%
Asia & Oceania	11,204	11,864	-5.6%
Latin America	18,324	24,375	-24.8%
Africa	12,574	10,410	+20.8%
North America	7,044	4,891	+44.0%
Total	136,337	130,967	+4.1%

Sales by product line

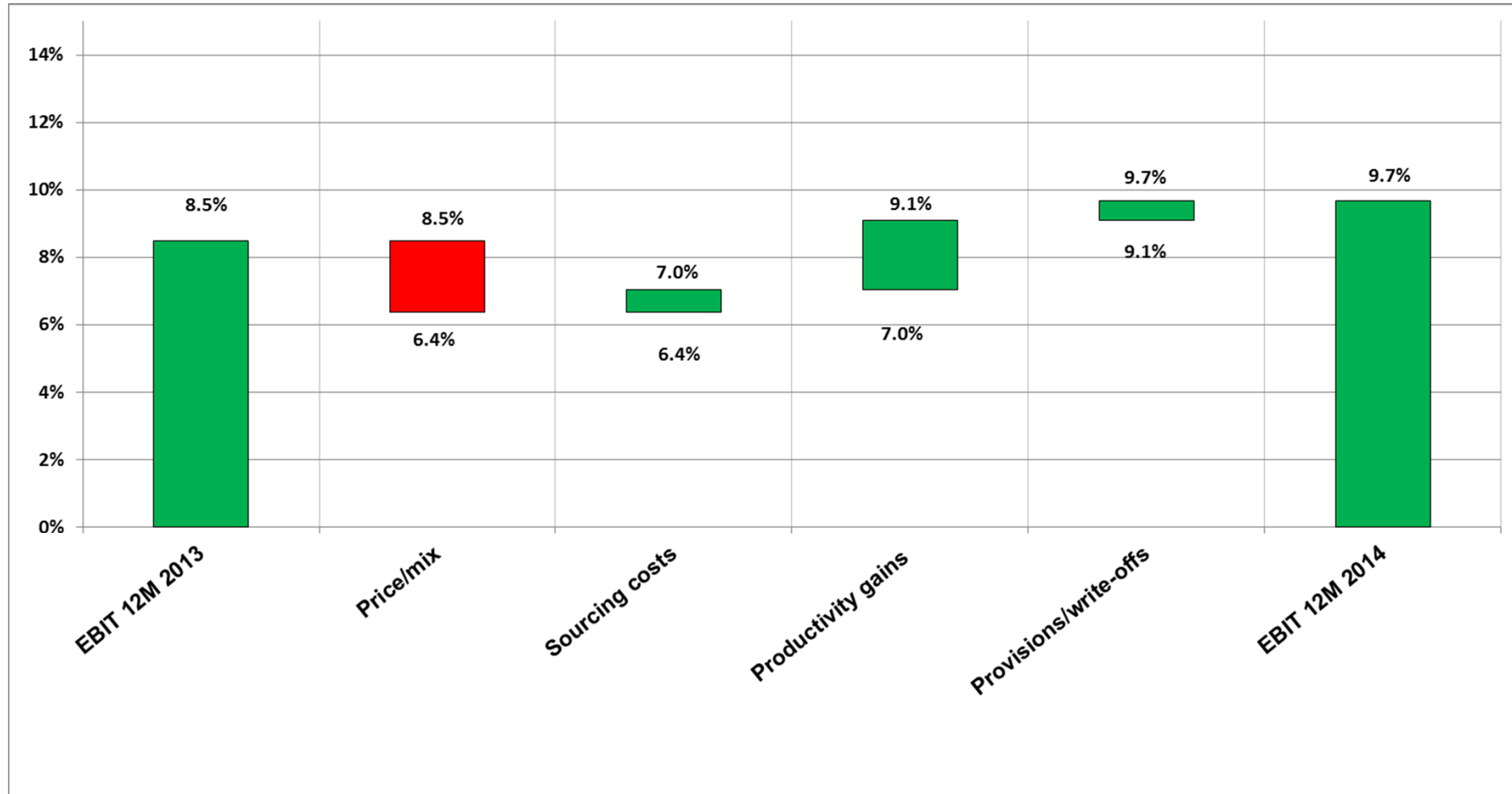


	FY 2014	FY 2013	
Brass valves	13,741	14,613	-6.0%
Light alloy valves	34,006	27,618	+23.1%
Thermostats	12,288	13,350	-8.0%
Standard burners	36,160	38,222	-5.4%
Special burners	20,251	18,943	+6.9%
Accessories	12,928	11,571	+11.7%
Hinges	6,963	6,650	+4.7%
Total	136,337	130,967	+4.1%

Income statement

€x 000	<u>FY 2014</u>		<u>FY 2013</u>		
SALES	136,337	100.0%	130,967	100.0%	+4.1%
Materials	(54,472)	-40.0%	(52,415)	-40.0%	
Payroll	(32,180)	-23.6%	(31,339)	-23.9%	
Change in stock	2,447	1.8%	4,784	3.7%	
Other operating costs/income	(26,180)	-19.2%	(27,425)	-20.9%	
EBITDA	25,952	19.0%	24,572	18.8%	+5.6%
Depreciation	(12,292)	-9.0%	(12,856)	-9.8%	
Gains/losses on fixed assets	63	0.0%	71	0.1%	
Impairment of fixed assets	(548)	-0.4%	(655)	-0.5%	
EBIT	13,175	9.7%	11,132	8.5%	+18.4%
Net financial expense	(531)	-0.4%	(637)	-0.5%	
Foreign exchange gains/losses	119	0.1%	(186)	-0.1%	
Equity investments profits/losses	(606)	-0.4%	(498)	-0.4%	
EBT	12,157	8.9%	9,811	7.5%	+23.9%
Income taxes	(3,819)	-2.8%	(1,707)	-1.3%	
Minorities	0		0		
NET INCOME	8,338	6.1%	8,104	6.2%	+2.9%
EPS	0.723		0.715		+1.1%

EBIT bridge 2013 – 2014



Cash flow statement

€ x 1000	FY 2014	FY 2013
<i>Cash at the beginning of the period</i>	5,111	6,137
Net profit	8,338	8,104
Depreciation	12,292	12,856
Change in net working capital		
change in inventories	(4,079)	(4,190)
change in receivables	(2,548)	1,526
change in payables	365	419
	(6,262)	(2,245)
Other changes in operating items	2,609	1,573
Operating cash flow	16,977	20,288
Net investments	(11,491)	(10,240)
Free cash flow	5,486	10,048
Cash flow from financial activity	8,054	(8,118)
Sale of own shares	0	3,084
Dividends	(16,146)	(3,911)
Forex	453	(2,129)
Cash flow	(2,153)	(1,026)
<i>Cash at the end of the period</i>	<i>2,958</i>	<i>5,111</i>

Balance sheet

<i>€ x 1000</i>	31-Dec-14	31-Dec-13
Fixed assets	96,152	97,467
Short term financial assets	-	22
Net working capital	45,844	41,241
Capital Employed	141,996	138,730
Equity	110,738	117,955
Reserves for risks and severance indemnity, deferred	4,325	4,049
Net debt	26,933	16,726
Sources of finance	141,996	138,730

Net financial position

	€ x 1000	31-Dec-14	31-Dec-13
A.	Cash	9	15
B.	Positive balances of unrestricted bank account	2,691	4,519
C.	Other liquidities	258	577
D.	Cash and cash equivalents (A+B+C)	2,958	5,111
E.	Current bank overdrafts	15,890	15,503
F.	Current portion of non-current debt	3,723	1,363
G.	Other current financial payables	105	1,076
H.	Current financial debt (E+F+G)	19,718	17,942
I.	Current net financial debt (H-D)	16,760	12,831
J.	Non-current bank payables	8,275	1,859
K.	Other non-current financial payables	1,898	2,036
L.	Non-current financial debt (J+K)	10,173	3,895
M.	Net financial debt (L+I)	26,933	16,726

Extraordinary dividend

- On November 10th 2014, Sabaf paid an extraordinary dividend of €1.00 per share
- Rebalance of the financial structure

Debt / Equity	
31-Dec-2013	31-Dec-2014
0.14	0.24

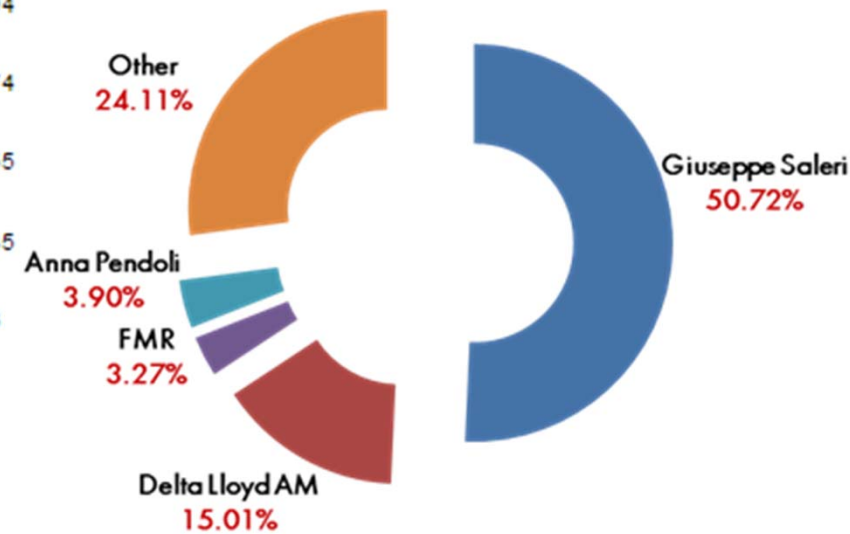
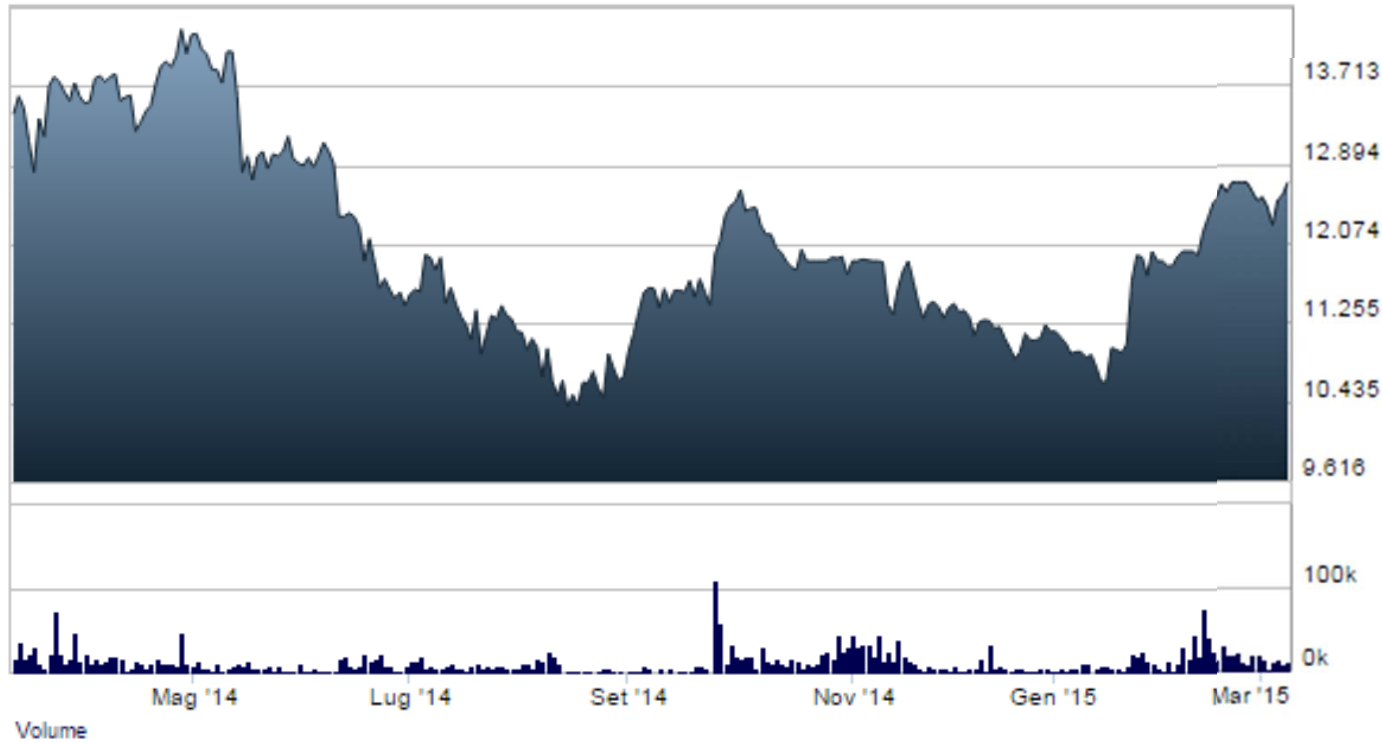
Debt / EBITDA	
31-Dec-2013	31-Dec-2014
0.68	1.04

- Prospects for constant cash flow generation
- Possibility of funding at very low interest rates
- No change in the implementation of the planned investment programmes

Forecasts

- In 2015, the scenario remains hard to interpret, with some positive factors (such as the **dollar's appreciation against the euro**) and others that are less favourable (the **uncertainty of the Italian and European recovery** and a competitive environment that continues to be difficult).
- The Group believes that it will be able to achieve **sales and profitability levels slightly higher than those of 2014**.
- These targets assume a macroeconomic scenario not affected by unpredictable events. If the economic situation were to change significantly, actual figures might diverge from forecasts.
- The directors plan to propose a **dividend of €0.40 per share** at the Shareholders' Meeting (the same as the ordinary dividend paid out in 2014).

Stock price and main shareholders



Disclaimer

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially.

The Company's business is in the domestic appliance industry, with special reference to the gas cooking sector, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting this business. Forward-looking statements with regard to the Group's business involve a number of important factors that are subject to change, including: the many interrelated factors that affect consumer confidence and worldwide demand for durable goods; general economic conditions in the Group's markets; actions of competitors; commodity prices; interest rates and currency exchange rates; political and civil unrest; and other risks and uncertainties.

Pursuant to Article 154/2, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this financial presentation corresponds to the company's records, books and accounting entries.

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